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Department of Transportation  
National Highway Traffic Safety Administration  
Docket No. NHTSA-2000-8159  
RIN 2127-AH67  
Docket Management Room PL\_401  
400 Seventh Street SW  
Washington, D.C.  
20590

Dear Sirs,

This is a supplemental comment to docket NHTSA-2000-8159. We look forward to your favourable consideration of this comment and proposal.

The proposed rulemaking outlines several changes to 49 CFR 592. The proposed changes reflect various industry, regulatory and enforcement scenarios that were not anticipated when Part 592 was initially adopted in 1989. It is apparent that the proposed rulemaking and accompanying statutory interpretations aim to address those situations and ensure that the Registered Importer program operates more efficiently under current industry, market and regulatory conditions.

NAATA shares with NHTSA concerns related to these changed conditions. It acknowledges that evolution of the Canadian import market and competitive influences have led to widespread non-compliance with the rules governing the Registered Importer program. NAATA applauds NHTSA's initiative to facilitate compliance through the implementation of new rules that better reflect the harmonization of vehicle standards between Canada and the United States. More importantly, the proposed rulemaking presents a tremendous opportunity for NHTSA to create a regulatory framework that encourages compliance, while reconciling the need for fair, equal and effective enforcement by NHTSA against Registered Importers who are not in compliance. NAATA shares with NHTSA the goal of vehicle safety.

To this end, this comment proposes a third classification of Importer that will enhance the integrity of the Registered Importer program and will facilitate compliance by Registered Importers. This third classification will enhance monitoring and enforcement of the program by NHTSA without increased costs to the agency and will create a more level playing field by removing incentives for Registered Importers to circumvent the rules.

We propose that a new classification of Importers be referred to as "Certification Bureaus" which are described in more detail below.

Many Registered Importers do not comply with the rules currently set out in Part 592 (although there are exceptions and some Registered Importers currently operate in full compliance). They do not comply because of costs and competitive influences. NAATA is of the belief that these costs and competitive influences will still lead to widespread non-compliance with the implementation of the proposed rules without increased enforcement by NHTSA. Even in the absence of bond releases for Type 1 vehicles, NAATA expects that there will be continued non-compliance.

NAATA proposes that NHTSA create Certification Bureaus, which would accept the entire liability and responsibility for complete vehicle certification and compliance and for subsequent recall notification. To accomplish this task, which obviously encompasses the responsibilities of a Registered Importer, the regulations should be modified to permit sub-contracting to only designated Certification Bureaus. To repeat, Certification Bureaus would operate in full compliance with the rules and assume full liability and responsibility for the importation process.

Subcontracting of services to Certification Bureaus would be voluntary for Registered Importers. Registered Importers who wish to perform all functions required of them and meet all obligations associated with importation may continue to meet such obligations and perform such functions on their own.

As previously indicated, some Registered Importers do not currently comply with the rules for importation. NAATA believes that some Registered Importers will not comply with the proposed rules because the costs inherent in compliance will still be prohibitive. Notwithstanding, NAATA is of the belief that Registered Importers would like to import vehicles in full compliance.

The creation of Certification Bureaus would enable Registered Importers who currently do not operate in full compliance to transfer obligations and responsibilities so that vehicles are imported in full compliance. Centralization would enable Registered Importers to comply without significant costs. This would remove incentives for non-compliance. Certification Bureaus would accept liability and obtain sufficient financial backing and insurance to carry the potential liability inherent in the vehicle importation process. The Bureaus would cooperate with NHTSA as a source of documentation compiled on organizations that fail to fulfill the obligations of a Registered Importer as outlined in the regulations or the requirements of the Certification Bureaus. Therefore, whether Registered Importers operate in compliance on their own, or subcontract compliance, NHTSA will be able to achieve complete integrity and effective control of the importation process at reduced cost to the agency.

NHTSA and Registered Importers share the common goal of importing vehicles in strict compliance with the rules. NAATA does not condone non-compliance with the rules. Instead our comments reflect the reality of the industry. We are proposing the creation of

Certification Bureaus to eliminate non-compliance and give Registered Importers a feasible option for compliance. Creation of Certification Bureaus, to which liability, responsibility and obligation can be assigned, will provide Registered Importers with required incentives for compliance. NHTSA will then achieve the goal of the proposed rulemaking in a more efficient and effective manner. We are prepared and would welcome the opportunity to provide the guidelines and operating procedures of the proposed Certification Bureaus at your convenience. This would include such matters as a Certification Bureau not having an interest in a Registered Importer or vice versa, insurance, recalls and other related issues.

Thank you for your consideration of this proposal.

Yours truly,

Brian Osler  
President & CEO